

Title: Need to formulate a new policy to help the co-operative sugar industry in Maharashtra.- Laid.

SHRI S.D. MANDLIK (KOLHAPUR) : Sir, the sugar industry, especially co-operative sugar industry in entire India is facing acute financial problems. The sugar factories established and functioning before 1999 were able to avail of financial facilities given by Sampat Committee Report, however, the factories started later are not given these incentives. This coupled with steep rise in present sugar rates has caused a catastrophic effect on co-operative sugar factories mostly located in Maharashtra.

Levy sugar rates are now higher than free sugar sale rates which has resulted in heavy stock-piling with factories.

Sugar factories have to dole out Rs.85 per tone by way of Excise and other Taxes out of which Rs.34/- goes to Central Government. A concession in this tax is required and refund for period of eight years be given to tide over financial problem. Now, the loans are not available from IDBI/ICICI but are to be raised from outside agencies at the rate of 17%.

It is suggested that new factories functioning after 1999 should be given Excise/Tax concession and monetary incentives on lines of Sampat Committee.

Through your good offices, I request the Food/Agriculture Ministry to formulate a new policy to help sugar industry.